GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:254
ANSWERED ON:08.12.2006
FOREIGN DEBT.
Gehlot Shri Thaawar Chand;Singh Deo Smt. Sangeeta Kumari

Will the Minister of FINANCE be pleased to state:

(a) the details of the external debt of the country as on date;

(b) the position of India among the indebted countries of the world;

(c) the per capita burden of foreign debt on the country at present;

(d) the amount India has to pay as interest against the total debt every year;

(e) the total amount of principal and interest paid to foreign creditors during each of the last three years, country-wise and institution-wise; and

(f) the steps taken to reduce the debt burden of the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (f): A statement is placed on the Table of the House.

Lok Sabha Starred Question No.# 254 Position No.13 for answer on December 08, 2006

Statement referred to in reply to Lok Sabha Starred Question No.#254 by Shrimati Sangeeta Kumari Singh Deo and Shri Thawarchand Gehlot regarding "Foreign Debt" for answer on December 08, 2006.

(a) According to the latest available information, India's total foreign debt amounted to US$ 132.13 billion at end-June 2006 (comprising long-term debt of US$ 122.93 billion and short-term debt of US$ 9.20 billion). Of this, Government external debt amounted to US$ 46.15 billion.

(b) According to the World Bank's Global Development Finance, 2006, India's position among the indebted countries of the world was eighth in 2004.

(c) The per capita burden of total foreign debt on the country at end-March 2006 was US$ 113 (Rs.5,041) and per capita government debt was US$ 41 (Rs.1,829).

(d) Interest amounts paid against the total external debt for the last three years are given below in Table I :

Table I: Interest payments on India's external debt
(US $ million)

Year	2005-06	2004-05	2003-04
Government	706	641	726
Other than Government	4,378	2,397	3,675
Total Interest payments	5,084	3,038	4,401

(e) Country-wise details of total amount of principal and interest paid on account of Government external debt are given below for the last three years in Table II:

Table II: Government External Debt service Payments
(US $ million)

	2005-06			2004-05			2003-04		
	Princ-ipal	Inte-rest	Total	Princ-ipal	Inte-rest	Total	Princ-ipal	Inte-rest	Total

A Multilateral (1 to 4)
790 402 1,192 737 307 1,044 3,563 389 3,952
1 ADB 25 62 87 15 38 53 1,257 73 1,330
2 IBRD 133 153 286 111 68 179 1,751 141 1,892
3 IDA 619 184 803 598 198 796 542 172 714
4 Others 13 3 16 13 3 16 13 3 16

B.Bilateral (5 to 10)
1,348 304 1,652 1,301 334 1,635 2,498 337 2,835
5 Germany 100 19 119 121 22 143 119 24 143
6 France 45 14 59 51 16 67 50 17 67
7 Japan 486 222 708 501 251 752 502 241 743
8 Russian 615 27 642 470 17 487 431 11 442
Federation
9 USA 101 22 123 117 26 143 126 29 155
10 Others 1 0 1 41 2 43 1,270 15 1,285

C.Grand 2,138 706 2,844 2,038 641 2,679 6,061 726 6,787
Total (A+B)

(f) Prudent external debt management policies are pursued by the Government to maintain external debt within manageable limits. These include emphasis on raising funds on concessional terms and from less expensive sources with longer maturities, monitoring of short-term debt, prepaying high cost loans, rationalizing interest rates on NRI deposits and enforcing limits as well as restricting end-use of external commercial borrowings.